



## INTRODUCTION

Each regulatory agency of California government hears from those trades or industries it respectively affects. Usually organized through various trade associations, professional lobbyists regularly formulate positions, draft legislation and proposed rules, and provide information as part of an ongoing agency relationship. These groups usually focus on the particular agency overseeing a major aspect of their business. The current activities of these groups are reviewed as a part of the summary discussion of each agency, *infra*.

There are, in addition, a number of organizations which do not represent a profit-stake interest in regulatory policies. These organizations advocate more diffuse interests—the taxpayer, small business owner, consumer, environment, future. The growth of regulatory government has led some of these latter groups to become advocates before the regulatory agencies of California, often before more than one agency and usually on a sporadic basis.

Public interest organizations vary in ideology from the Pacific Legal Foundation to Campaign California. What follows are brief descriptions of the current projects of these separate and diverse groups. The staff of the Center for Public Interest Law has surveyed approximately 200 such groups in California, directly contacting most of them. The following brief descriptions are only intended to summarize their activities and plans with respect to the various regulatory agencies in California.

## ACCESS TO JUSTICE FOUNDATION

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Access to Justice Foundation (AJF) is a nonprofit, nonpartisan citizen advocacy organization established to inform the public about the operation of the legal system; provide independent, objective

research on the protection accorded citizens by laws; and guarantee citizens of California access to a fair and efficient system of justice.

In 1988, AJF and its campaign committee—the Voter Revolt to Cut Insurance Rates—sponsored and qualified Proposition 103, the only one of four competing insurance reform initiatives approved by the electorate in the November 1988 election.

AJF publishes a bimonthly report, *Citizens Alliance*, on citizens' rights issues and actions at the local, state, and federal levels. Legislative, judicial, and administrative activities which impact on the public justice system and the exercise of citizens' rights are a major focus of the organization's research and educational activities. AJF is funded by grants and individual memberships.

## MAJOR PROJECTS:

On November 2, AJF/Voter Revolt Director Harvey Rosenfield and consumer leader Ralph Nader sent a letter to Governor-elect Pete Wilson, calling on Wilson to set an example for fiscal responsibility by rejecting the 41% increase in the governor's salary proposed by the California Citizens Compensation Commission created by Proposition 112 in the June 1990 election. In their letter, Rosenfield and Nader noted that Wilson, as a U.S. Senator, had voted against the congressional salary increase in 1989. They also attacked proposed pay increases for other state officials and legislators. The two consumer advocates said it is improper to boost elected officials' salaries at a time when severe budget cuts are imposed to prevent a state budget shortfall of \$4.5 billion. The letter also called on Wilson to "dismiss the present members of the Compensation Commission and replace them with individuals who are truly representative of the citizens in whose identities this commission has attempted to cloak its unjustified and anti-democratic actions."

On November 19, Voter Revolt released a report prepared for Insurance Commissioner-elect John Garamendi. The 100-page report details the history of each provision of Proposition 103 since the voters passed the measure in November 1988, and describes how each provision can be rapidly implemented so that it is "bullet-proof" against lawsuits by the insurance industry. The report also chronicles former Commissioner Roxani Gillespie's two-year "massacre" of the initiative. (See CRLR Vol. 10, No. 4 (Fall 1990) pp. 120-21; Vol. 10, Nos. 2 & 3 (Spring/Summer 1990) pp. 139-40; and Vol. 10, No. 1 (Winter 1990) pp. 106-08 for background information.)

The study suggests several steps Commissioner Garamendi can take in his first 120 days in office to "put Proposition 103 back on track," including the following:

- Issue new regulations notifying insurers they will receive no rate increases until the rollback controversy is resolved and the delays ended. (Proposition 103 calls for insurance companies to roll back their rates to November 1987 levels minus 20%.)

- Eliminate territorial rating and implement the 20% good driver discount required by Proposition 103.

- Revoke the licenses of insurers who refuse to accept all good drivers.

- Prohibit arbitrary cancellations and nonrenewals.

- Amend existing regulations to require that insurers open their books to the public, to enable regulators and consumer groups an adequate opportunity to examine and analyze all proposed rate increases before they take effect.

- Enforce antitrust, civil rights, and consumer protection laws applicable to insurance companies.

- Create an auto insurance comparison-shopping database, as required by Proposition 103.

- Inform the public about their rights under Proposition 103 regarding the purchase of insurance through banks, discounting of agents' commissions, and group policies.

- Adopt new regulations to guarantee full representation of consumers in insurance-related proceedings.

In the report's cover letter to Garamendi, signed by Rosenfield and Nader, the authors called on Garamendi to properly and expeditiously force insurers to cease their excessive litigation and lengthy delays in the implementation of Proposition 103.

In related action, Voter Revolt blasted outgoing Commissioner Gillespie on December 7 after she announced she would lift the fourteen-month freeze on auto insurance rates. Rosenfield said the insurance industry was getting one more favor from Gillespie before she left office.

In a November 9 rebuttal to a Los Angeles radio station editorial criticizing the state initiative process, Voter Revolt's Rosenfield agreed with the assessment that the process is out of control—but out of the control of consumers and voters. He said most of the initiatives on November's ballot were put there by corporate interests or the legislature. "It used to be that the corporations would simply spend millions of dollars to defeat initiatives they don't like. Now, insurance, chemical, timber,



and liquor companies and their buddies in Sacramento have a new trick: they put their own phony initiatives on the ballot to confuse and deceive people. In short," added Rosenfield, "the public isn't stupid and the initiative process isn't broken. The real problem is that big corporations are willing to do anything—including abuse of the initiative process—to preserve the status quo."

Instead of making it more difficult to place initiatives on the ballot, Rosenfield recommended that "...we take action to prohibit corporations from trying to undermine democracy through phony initiative campaigns funded from corporate bank accounts." He also suggested that limits be placed on the amount of money special interests may contribute to elected officials.

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The American Lung Association of California (ALAC) emphasizes the prevention and control of lung disease and the associated effects of air pollution. Any respiratory care legislative bill is of major concern. Similarly, the Association is concerned with the actions of the Air Resources Board and therefore monitors and testifies before that Board. The Association has extended the scope of its concerns to encompass a wider range of issues pertaining to public health and environmental toxics generally.

#### MAJOR PROJECTS:

On November 14, the San Diego/Imperial Counties Chapter of ALAC criticized Southern California Edison's (SCE) claim that local air quality will improve if SCE's takeover of San Diego Gas and Electric Company (SDG&E) is approved. Lon Showley, Vice President of the chapter, said, "The bottom line is that a verbal commitment is not enough to protect San Diego's air quality. Without written guarantees binding Edison to limit powerplant emissions, San Diego could experience worse air quality in the long term." (See *infra* reports on UCAN and the PUBLIC UTILITIES COMMISSION for background information on the proposed takeover of SDG&E by SCE.)

The ALAC chapter called on the Public Utilities Commission (PUC) to prohibit SCE from exceeding emission levels indicated in the company's environmental impact statement if the

merger is approved. The group also asked SCE to negotiate an agreement with the San Diego Air Pollution Control District aimed at reducing local air pollution. The giant utility has already reached similar agreements with other air quality agencies in the region that would be affected by the proposed merger. Further, the chapter called on SCE to submit to a continuing evaluation that would ensure compliance with the air quality provisions of the merger agreement.

An ALAC subcommittee conducted the study which resulted in the recommendations. The group said emissions from SDG&E powerplants could be reduced by 30% with the installation of air pollution equipment. The chapter wants SDG&E to proceed with installation of the equipment now, rather than waiting until a decision is reached on the merger.

On December 5, the U.S. Environmental Protection Agency's (EPA) Scientific Advisory Board endorsed a draft EPA risk assessment report which estimates that 3,800 non-smokers in the United States die from lung cancer each year due to the effects of second-hand smoke. The Board chair said the panel was convinced, after two days of hearings, that there is relatively strong evidence that environmental tobacco smoke causes cancer in non-smokers.

In addition, the panel endorsed findings in the EPA document that mothers who smoke near their young children increase the children's vulnerability to respiratory disease as they advance in age. Three national groups—the American Lung Association, the American Cancer Society, and the American Heart Association—issued a statement saying they are "extremely pleased" with the Board's support of the EPA study. A formal statement by the Board on the EPA study will be released sometime in the spring. The preliminary approval of the report by the Advisory Board increases the possibility that the EPA will eventually classify "environmental tobacco smoke" as a human carcinogen.

**NATIONAL AUDUBON SOCIETY**  
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The National Audubon Society (NAS) has two priorities: the conservation of wildlife, including endangered species, and the conservation and wise use of water. The society works to establish and protect wildlife refuges, wilder-

ness areas, and wild and scenic rivers. To achieve these goals, the society supports measures for the abatement and prevention of all forms of environmental pollution.

#### MAJOR PROJECTS:

The December issue of *Audubon Activist* noted that the 101st Congress passed some important measures in 1990, but failed to act on many other environmental measures. Environmentalists breathed easier with the long-awaited passage of the reauthorized Clean Air Act at the end of October, after battling for approval of the measure since 1982 when it became mired in Reagan-era politics. (See CRLR Vol. 10, No. 4 (Fall 1990) p. 18 and Vol. 10, Nos. 2 & 3 (Spring/Summer 1990) pp. 27-28 and 37 for background information.) Despite some shortcomings, according to Audubon activists, the new law provides a greatly improved formula for healthy air and a cleaner environment. The new Clean Air Act:

- sets timetables for cities to reduce smog by 15% during the first six years and 3% in each subsequent year until ozone and carbon monoxide are reduced to acceptable levels;

- requires industries to install "maximum achievable control technology" for 189 cancer-causing and toxic pollutants by 2003, and directs the U.S. Environmental Protection Agency to impose an "ample margin of safety" if a public health risk remains;

- mandates a nationwide ten-million-ton reduction of sulfur dioxide emissions by 2000 and a two-million-ton reduction in nitrogen oxides by 1996, and sets a cap on emissions of the former. These two compounds are the major cause of acid rain; and

- phases out the production of ozone-depleting chemicals, including chlorofluorocarbons (CFCs), by 2000 and less reactive ozone depleters, known as HCFCs, by 2030.

According to NAS, the law lacks adequate controls on automobile pollution, although it does force cars to meet California's tailpipe standards. The White House proposal to put one million cars on the road running on clean fuels by 2000 was watered down to a "pilot program" for California only.

The Ancient Forest Protection Act (H.R. 4492), a top priority of conservationists introduced by Representative Jim Jontz with 130 cosponsors, failed to pass Congress during 1990. It will be the focus of Audubon's ancient forest campaign in 1991. An attempt by Senator Bob Packwood (R-Oregon), a timber industry sympathizer, to sabotage the



federal Endangered Species Act and remove the northern spotted owl as a logging obstacle in the northwest failed by a vote of 62-34. (See CRLR Vol. 10, No. 4 (Fall 1990) p. 18 for background information on these bills.)

Alaska's Tongass National Forest was given a measure of protection by Congress in 1990. After more than five years of lobbying by environmentalists, Congress passed the Tongass Timber Reform Act in late October. The law withdraws more than one million acres of the Tongass from commercial logging, repeals an automatic annual \$40 million subsidy to the timber industry, and establishes a 100-foot, no-cutting buffer zone along streams and direct tributaries used by migrating salmon. (See CRLR Vol. 10, Nos. 2 & 3 (Spring/Summer 1990) p. 26; Vol. 9, No. 1 (Winter 1989) p. 13; and Vol. 8, No. 2 (Spring 1988) p. 14 for background information.) Environmentalists also succeeded in thwarting the now infamous amendment by Senator Frank Murkowski (R-Alaska) to the U.S. Department of Defense's authorization bill, a measure that would have paved the way for oil drilling in Alaska's pristine Arctic National Wildlife Refuge.

*Audubon Activist* reported that environmental provisions make the 1990 federal Farm Bill a success. Under the bill, wetlands receive an extra measure of protection, and farmers are encouraged to set aside wetlands through long-term or permanent easements. The legislation also toughens enforcement of soil conservation regulations and creates a strong, uniform standard for certifying and labeling organically grown produce. Farmers will receive technical assistance to implement water quality protection programs. Between six and eleven million acres will be added to the Conservation Reserve Program through 1995. For the first time, farmers must record applications of environmentally hazardous chemicals known as "restricted use" pesticides. However, Congress scrapped the "circle of poison" provision which would have ended the sale of banned pesticides to other countries. These pesticides, harmful to the environment and unsafe for human consumption, often return to us in the produce we import.

Writing in the November 1990 issue of *Audubon Magazine*, NAS president Peter A.A. Berle said, "National conservation strategies are still the best and most effective means of reducing dependence on foreign petroleum," as interest in domestic drilling increases with the crisis in the Persian Gulf. "We cannot be stampeded into opening all federal lands outside national parks to drilling," Berle

wrote. He also pointed out that the federal Resource Conservation and Recovery Act has exempted wastes associated with oil drilling from its clean-up provisions, even though some of the drilling wastes are chemically identical to the hazardous by-products produced by other industries. Noting that the U.S. Fish and Wildlife Service reports that more birds are killed each year when they land in ponds near oil wells than have died from oil spills in the oceans, Berle said NAS will organize its forces to close that loophole in the law.

#### CALIFORNIA PUBLIC INTEREST RESEARCH GROUP

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CalPIRG is a nonprofit statewide organization founded by students from several California universities. It is the largest student-funded organization of its kind in the state. There are CalPIRG chapters on four campuses of the University of California. CalPIRG now has approximately 120,000 members statewide, including thousands of citizens members.

#### MAJOR PROJECTS:

A recent decision by the University of California (UC) Board of Regents could jeopardize a substantial amount of CalPIRG's funding. In September, the Board decided that the "negative check-off" fee collection system used at four UC campuses to fund CalPIRG chapters is improper. Under that system, students may check a box on their registration cards if they choose not to support CalPIRG. If they check the box, they are entitled to a \$4 per semester rebate in their student fees; if they fail to check the box, they are automatically assessed the fee, which supports CalPIRG. Although this is identical to the system used by the State Bar of California to enable member attorneys to obtain a partial refund of compelled licensing fees if they choose not to support the Bar's various political activities (see *infra* agency report on the STATE BAR), the UC Board of Regents has announced that the "negative check-off" system is legally problematic. Critics of the decision, including consumer leader Ralph Nader, assert that the Board of Regents is retaliating against CalPIRG for its support of Proposition 128 ("Big Green") on the November ballot and for its increasingly activist pesticide reform advocacy.

CalPIRG reported that more than 2,000 volunteers worked for Big Green and "Forests Forever" (Proposition 130) on election day (November 6), and mobilized nearly 45,000 "occasional" voters to turn out and vote for the environment. Seventy percent of those targeted to vote actually went to the polls. Even though both measures failed, CalPIRG said the first steps have been taken to build a new power base for the environment among voters. CalPIRG staffers around the state will continue to build on the network of election volunteers in preparation for the next ballot battles in 1992.

According to the November issue of *CalPIRG Notes*, television stars Kyle MacLachlan and Michael Ontkean appeared in a "No on Proposition 135" advertisement produced by CalPIRG, which aired on television stations providing equal time to balance the money spent by the pesticide industry to defeat Big Green. Ralph Nader joined environmental groups in the last few days before the election by touring the state and speaking in favor of Propositions 128 and 130. CalPIRG's Pesticide Watch project produced a five-minute television address and a radio ad by Nader for Proposition 128 and Proposition 131, a campaign finance reform/term limits initiative also on the ballot.

In preparation for the holiday season, CalPIRG released its annual report on potentially dangerous toys on November 29. Nine toys were listed as the most dangerous to small children. Most problems with children's toys involve small pieces which can be removed or broken off and then swallowed (causing choking), or which can result in strangulation. For example, Arco-Mattel's "Mickeytown Ice Cream Playset" includes figures whose arms easily snap off and can lodge in a toddler's throat. The Great American Bear Company's "Cornelius Vanderbear" has removable binoculars with a strap long enough to fit over a child's head and possibly lead to strangulation.

According to CalPIRG, at least fourteen children across the nation died from toy-related accidents during the first nine months of 1990. CalPIRG staff members went to 80 toy stores around the state during October and November to examine toys for potential hazards. This year, the group reported sixteen fewer dangerous toys than last year. For more information on hazardous toys, contact CalPIRG at the address listed above. For additional information on toy safety, or to report a product-related injury, contact the Consumer Product Safety Commission, 3660 Wilshire Blvd., Suite 1100,



Los Angeles, CA 90010, or call 1-800-638-2772.

Lucky Stores continued to offer the lowest food prices for the fifth consecutive year, according to a survey released in October by San Diego CalPIRG. Vons stores are now in last place, having dropped from second place in an earlier CalPIRG survey. But the consumer group noted that food prices in the survey were very close and competitive, and consumers may want to consider other factors such as food quality, selection, service, store hours and distance traveled to shop. The range between the lowest- and highest-priced stores was only \$8.33. According to the survey, a family of four people could save as much as \$500 per year (and the average couple up to \$300 annually) by shopping at Lucky. The rankings from least expensive to most expensive in the one-day shopping survey were: Lucky, Advantage, Ralphs, Alpha Beta, Big Bear, and Vons.

On December 3, CalPIRG's San Diego Chapter released a list of nine products which, it said, contain excessive and wasteful packaging. According to the group, the consumer often pays more for the wrapping than the product. Expensive and wasteful packaging is used to catch the buyer's eye, especially during the holiday season. CalPIRG said packaging materials now amount to about one-third of the 180 million tons of trash sent to landfills each year in the United States. A CalPIRG spokesperson said consumers are paying dearly for the waste, including depletion of natural resources and burgeoning pollution. The group also announced its "Wastemaker Awards," presented to those companies it accused of using too much plastic packaging for their products.

## CALIFORNIANS AGAINST WASTE

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In 1977, Californians Against Waste (CAW) was formed to advocate for a recycling bill in the legislature which would require a minimum refundable deposit of five cents on beer and soft drink containers. After being repeatedly thwarted legislatively by well-financed industry opponents, CAW sponsored and organized a coalition for a statewide citizen initiative which appeared on the ballot in 1982 as Proposition 11. That measure failed after can and bottle manufacturers and their allies raised and

spent \$6 million to defeat it. CAW then worked for the 1986 passage of the "bottle bill" (AB 2020-Margolin), which for the first time established redemption values for glass, aluminum, and two-liter plastic beverage containers. As of January 1, 1990, under SB 1221 (Hart), redemption values increased from one cent per glass or aluminum container to five cents for every two containers returned. Two-liter plastic beverage containers are now worth five cents each. Under SB 1221, redemption values for aluminum, glass, and plastic beverage containers will increase if a recycling goal of 65% is not reached by 1993.

### MAJOR PROJECTS:

On November 2, CAW, its Californians Against Waste Foundation, and Citizens for a Better Environment filed suit in Los Angeles County Superior Court to invalidate portions of an agreement signed last May between the City of Los Angeles and Los Angeles County for development of a large new landfill north of Sylmar. The complaint asserts that the agreement violates the California Environmental Quality Act (CEQA) and a 1989 statute requiring more recycling and less landfill dumping. They claim the pact actually discourages recycling and waste reduction efforts. The plaintiffs seek a stronger commitment from the city and county to limit landfill development and "aggressively pursue alternatives to urban landfills."

The three groups assert that the city/county accord violates CEQA because the parties failed to complete environmental impact studies before signing the pact. The suit also claims the agreement is inconsistent with AB 939 (Sher), the California Integrated Solid Waste Management Act of 1989, which requires recycling, source reduction, and composting to be favored over landfill construction or expansion. (See CRLR Vol. 9, No. 4 (Fall 1989) pp. 112-13 for background information on AB 939.) The city/county agreement requires the city to pay relatively low per-ton dump fees, and to pay additional financial penalties if it does not supply a minimum amount of trash. The lawsuit says the provision is a disincentive to reducing waste and asks the court to void the section. The plaintiffs state their intent is to encourage "state-of-the-art" conservation so that new landfill development is minimized. The city of Santa Clarita, which is just west of the proposed dumpsite, contends it would contaminate groundwater and has pledged financial support for the legal action.

CAW's legislative wrap-up for 1990 emphasized that Governor Deukmejian

has been a major obstacle to progressive solid waste management in California for the last eight years. CAW is hopeful that the new administration will provide the kind of leadership that a state facing a solid waste crisis desperately needs.

Some important bills backed by CAW did become law:

-AB 1490 (Sher) keeps recycled glass from going into landfills by providing financial incentives to manufacturers who use recycled glass (Chapter 1274, Statutes of 1990).

-AB 2622 (Eastin) mandates that glass manufacturers utilize a minimum amount of recycled glass beginning with 15% in 1993 and increasing to 45% by 1999 (Chapter 1094, Statutes of 1990).

-SB 2532 (Marks) bans the use of ceramics in glass containers, contaminants which can cause glass collected for recycling to be rejected by glass manufacturers (Chapter 879, Statutes of 1990).

-SB 2091 (Hart) directs the new California Integrated Waste Management and Recycling Board (CIWMB) created in AB 939 to develop policies that will hold manufacturers accountable for environmentally destructive packaging (Chapter 546, Statutes of 1990).

-SB 2092 (Hart) requires plastic trash bags to be manufactured from 10% post-consumer recycled materials by 1993, and 30% by 1995 (Chapter 1452, Statutes of 1990).

-AB 2707 (LaFollette) (Chapter 1406) and AB 3992 (Sher) (Chapter 1355) require local governments to establish Household Hazardous Waste Collection Programs.

CAW lamented the veto of several bills by Governor Deukmejian, including SB 2700 (Keene), a bill to require the recycling of telephone books; SB 2593 (Sher), which would have removed industry dominance on CIWMB's Source Reduction Advisory Committee; SB 1805 (Torres), legislation to discourage new trash incinerators; and AB 3749 (Sher), a bill to establish a nickel-per-quart deposit system for disposal of used oil, with a refund for those who return their oil for disposal. Also vetoed was SB 2221 (Vuich), which would have required landfills violating environmental laws to comply or lose operating permits. CAW said its biggest disappointment in 1990 was the death of AB 3050 (Margolin), killed by the wine and liquor lobbies and the glass companies. It would have added wine and liquor containers to the state "bottle bill" recycling program. The fight for this legislation will resume in 1991. (For further information on these and other 1990 bills related to California's solid waste crisis,



see CRLR Vol. 10, No. 4 (Fall 1990) pp. 21-22 and 148-50.)

## CAMPAIGN CALIFORNIA

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In July 1986, the Campaign for Economic Democracy (founded in 1977) became Campaign California. The 100,000-member/contributor organization, with offices in Sacramento, San Jose, San Francisco, and Santa Monica, continues as the largest progressive citizens action group in the state. Each office of the organization operates a door-to-door and telephone canvass, providing direct contact with voters regarding issues; facilitating fundraising and signature collection drives; and resulting in registration of new voters.

Campaign California supports efforts to frame workable, progressive solutions to problems in the areas of child care, education, environment, transportation, personal safety, insurance, and health care. It targets the private entrepreneur as a source of economic growth, jobs, and innovation.

### MAJOR PROJECTS:

Campaign California made Proposition 128 ("Big Green") its single priority in the fall. The measure failed in the November 6 election, but Campaign California said it will support legislation in 1991 and beyond to enact the various components of Proposition 128. The group also plans to dedicate time and energy to keep the broad Big Green coalition together for another possible environmental initiative on the 1992 general election ballot.

According to the fall 1990 issue of *Campaign California Report*, public opinion surveys show that three of four American citizens believe pesticide residues in food pose serious hazards. In 1987, the U.S. Environmental Protection Agency (EPA) ranked pesticide residues in food as the third most serious environmental problem in the United States, placing it ahead of ozone depletion and hazardous waste sites. Campaign California added that many scientists are convinced pesticide residues in fruits and vegetables pose serious health hazards. Children are especially at risk because they consume more fruits and juices than adults, thereby ingesting proportionately more pesticide residues.

According to *Campaign California Report*, much of the information regarding the effects of pesticides on human health comes from studies of farm work-

ers, who suffer the highest rate of work-related illness in the state. The publication alleged that the California Department of Food and Agriculture has been extremely lax in protecting farm workers from pesticide exposure.

"Though 12 times more pesticides are being used now than 40 years ago, the pre-harvest loss to insects has almost doubled in the same period," the *Campaign California Report* article noted. "Often, less than 1% of chemicals applied to agricultural crops reach the target pests, with the remaining 99% contaminating the land, air and water." The article points out that the EPA's limits on food residues for most pesticides were set decades before some of the chemicals were known to be carcinogenic. By May 1989, the EPA had revised tolerances to incorporate new health-effects data for only three of the more than 300 food-use pesticides. At least 63 of those pesticides have been classified by the EPA as probable or possible human carcinogens.

According to the article, a recent study by the National Academy of Sciences documented that U.S. agriculture can do business without creating health hazards for its own employees, farmers, and consumers. The University of California Division of Agriculture and Natural Resources estimates that alternatives are now available for all but two of the pesticides that would have been phased out under the defeated Proposition 128.

Campaign California's 1991 goals are to promote federal legislation to reduce global warming and to improve fuel efficiency for motor vehicles.

## CENTER FOR LAW IN THE PUBLIC INTEREST

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The Center for Law in the Public Interest (CLIPi), founded in 1971, provides public interest law services. Due to economic considerations, in 1988 CLIPi began using outside counsel rather than employ a full-time legal staff. Some legal services for the Center are provided by the law firm of Hall and Phillips, while a number of legal cases are handled on a contract basis by outside attorneys. CLIPi's major focus is litigation in the areas of environmental protection, civil rights and liberties, corporate reform, arms control, communications and land use planning. CLIPi sponsors law student extern and fellowship programs, and periodically publishes a newsletter called *Public Interest Briefs*.

### MAJOR PROJECTS:

The fall/winter 1990 issue of CLIPi's *Public Interest Briefs* newsletter reported that a landmark settlement has been reached in *Friends of Ballona Wetlands v. California Coastal Commission*, a 1984 CLIPi suit to preserve the Ballona Wetlands, Los Angeles County's last major coastal marsh. The agreement between Friends of Ballona Wetlands and Maguire Thomas Partners (MTP) of Playa Vista ensures that this wetlands area will be restored to its proper role as habitat for a diverse array of animal, plant, and marine species, including the threatened Belding's Savannah Sparrow and the Least Tern. (See CRLR Vol. 9, No. 3 (Summer 1989) p. 14; Vol. 8, No. 1 (Winter 1988) p. 23; and Vol. 7, No. 1 (Winter 1987) p. 13 for background information.)

The settlement will save 250 acres of wetlands, establish four acres of plant nursery, and restore six acres of dunes as well as approximately 20 acres of bluff-face, for a total of 280 acres. CLIPi's successful representation of environmental groups in the case paves the way for the largest salt water wetlands restoration program in the nation, according to CLIPi attorney Carlyle Hall. MTP will provide up to \$10 million for the restoration and maintenance of the wetlands, and has agreed to support elimination of the Falmouth Avenue extension which would have run through the heart of the wetlands. In exchange, State Controller Gray Davis has arranged to sell 70 acres of state-owned land north of Ballona Creek to MTP for \$85 million for the Playa Vista development. Los Angeles City Councilor Ruth Galanter said the settlement is "one of the most important environmental victories ever achieved in Los Angeles." At this writing, the settlement is awaiting final approval by the City of Los Angeles, the Coastal Commission, and other parties to the lawsuit.

On December 3, the Second District Court of Appeal ruled against the challenge to Proposition 13 brought by CLIPi on behalf of Stephanie Nordlinger. (See CRLR Vol. 10, No. 4 (Fall 1990) p. 23 for details.) Nordlinger had questioned the constitutionality of Proposition 13's "welcome stranger" tax structure, which places an unfairly high tax burden on new homeowners in the state. The court's ruling acknowledged "gross disparities" in assessed valuation of comparable homes, and noted that, as expected, the discriminatory impact against recent purchases is magnified over time. But the court ruled that homeowners seeking a fairer tax assessment scheme "must look again to the political



process, not to the courts." CLIPI attorney Carlyle Hall will appeal the case to the California Supreme Court.

On October 19, Los Angeles Mayor Tom Bradley, City Councilor Ruth Galanter, the Los Angeles Department of Airports, Friends of El Segundo Dunes, and CLIPI announced a new agreement to preserve habitat for the endangered El Segundo Blue Butterfly. Mayor Bradley said that in response to an extensive biological inventory and a scientific report prepared as a result of CLIPI testimony before the California Coastal Commission, the Department of Airports has agreed to devote 200 acres to a nature preserve for the butterfly and other threatened species which reside in the Los Angeles International Airport dunes. A proposed golf course development will be relocated so that only 100 acres of it will be situated in the 300-acre dunes area.

The proposed settlement in *Barefield v. Chevron USA*, CLIPI's 1986 employment discrimination case, was approved by a federal judge in December. (See CRLR Vol. 10, No. 4 (Fall 1990) p. 23; Vol. 9, No. 4 (Fall 1989) p. 17; and Vol. 8, No. 2 (Spring 1988) pp. 17-18 for background information on the case.) Although not expressly admitting culpability, Chevron agreed to establish an \$800,000 Lost Pay Settlement Fund to settle claims for back pay, front pay, and employee benefits lost due to denial of employment opportunities. Chevron has also set up a Compensatory Damages Fund of \$700,000 for settlement of claims of emotional distress caused by lost promotional opportunities and/or harassment based on race or national origin that was suffered in a hostile work environment. In addition, Chevron has pledged to promote and assign African-Americans and Latinos to vacancies at a rate that reflects the true availability of qualified applicants for those jobs. Chevron will submit annual reports describing the number of qualified minority people in each promotion source pool and, if challenged, must provide a full explanation as to why it could not find sufficient qualified candidates.

## CENTER FOR PUBLIC INTEREST LAW

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The Center for Public Interest Law (CPIL) was formed in 1980 after

approval by the faculty of the University of San Diego School of Law. The faculty selected Robert C. Fellmeth, a law faculty professor, as the Center's director. CPIL is funded by the University and private foundation grants.

The Center is headquartered in San Diego and has branch offices in Sacramento and San Francisco. Each year, approximately fifty law students participate for academic credit as CPIL interns. Students in the Center attend courses in regulated industries, administrative law, environmental law, and consumer law, and attend meetings and monitor activities of assigned regulatory agencies. Each student also contributes quarterly agency updates to the *California Regulatory Law Reporter*. After several months, the students choose clinic projects involving active participation in rulemaking, litigation, or writing.

CPIL's professional staff consists of public interest litigators, research attorneys, and lobbyists. Center staff members actively represent the public interest in a variety of fora, including the courts, the legislature, and administrative agencies.

The Center is attempting to make the regulatory functions of state government more efficient and more visible by serving as a public monitor of state regulatory agencies. The Center studies approximately seventy agencies, including most boards, commissions and departments with entry control, rate regulation, or related regulatory powers over business, trades, professions, and the environment.

## MAJOR PROJECTS:

On November 1, the University of San Diego announced that philanthropists Sol and Helen Price have endowed a \$1.8 million faculty chair in public interest law. The Price Public Interest Law Chair, the first of its kind in the nation and the first endowed faculty chair at the University of San Diego School of Law, will be offered to CPIL Director Robert C. Fellmeth when it is formally established in the fall of 1993. In exchange for the Prices' generous gift, the University has agreed to support the academic component of the Center for Public Interest Law. Combined, these two actions mean that CPIL is now a permanent part of the USD School of Law, and that its educational program will endure indefinitely. CPIL is grateful to the Prices and to the University for their steady support throughout the past decade.

CPIL's litigation docket was full this winter. On October 9, in *Le Bup Thi Dao v. Board of Medical Quality Assurance*, the U.S. Supreme Court denied CPIL's

petition for writ of certiorari in this 1987 civil rights action, in which plaintiffs (32 Vietnamese refugee physicians) alleged that BMQA (now the Medical Board of California) denied their license applications for a two-year period without affording them due process and for reasons unrelated to their qualifications for licensure. (See CRLR Vol. 10, Nos. 2 & 3 (Spring/Summer 1990) pp. 102-03; Vol. 8, No. 2 (Spring 1988) p. 18; and Vol. 7, No. 4 (Fall 1987) p. 17 for background information.) CPIL succeeded in obtaining physician licensure for its clients over two years ago; the Supreme Court's denial of the petition precluded CPIL from seeking damages for its clients for the long period during which they were prevented from practicing medicine. In November, CPIL agreed to the dismissal of the damages portion of the case.

In an unusual move in December, the Board moved for an order requiring CPIL's Vietnamese refugee clients to pay \$375,000 in attorneys' fees and costs, contending that CPIL's action was frivolous. On December 24, CPIL—which had represented its clients on a pro bono basis—filed a cross-motion for its own fees. At a January 18 hearing on both motions, San Francisco Superior Court Judge Stuart Pollak denied the Board's motion and awarded CPIL \$75,000 in attorneys' fees and costs, finding that CPIL's clients were the prevailing parties and that CPIL's action resulted in the enforcement of important rights and conferred a significant benefit on a substantial group of people. The court found that CPIL was entitled to recover its fees under both the federal civil rights laws (42 U.S.C. section 1988) and the state "private attorney general" doctrine (Code of Civil Procedure section 1021.5).

On September 11, CPIL filed a letter brief in support of plaintiff Bonnie Moore's petition for review to the California Supreme Court in *Moore v. State Board of Accountancy*, in which Moore challenges the validity of a Board rule prohibiting unlicensed accountants legally practicing accountancy from using the terms "accountant" or "accounting" in their advertising. (See *infra* agency report on BOARD OF ACCOUNTANCY; see also CRLR Vol. 10, No. 4 (Fall 1990) p. 51 and Vol. 10, No. 1 (Winter 1990) p. 53 for background information on the *Moore* case.) On October 18, the California Supreme Court unanimously granted the petition for review. On January 11, CPIL staff counsel Julie D'Angelo filed an *amicus curiae* brief in support of Moore,





contending that the Board is a constitutionally invalid tribunal for purposes of adopting and enforcing this advertising rule.

On October 25, CPIL staff counsel Carl Oshiro filed a lawsuit on behalf of Attorney General John Van de Kamp and the "Yes on 131" Committee, seeking to compel opponents of Proposition 131—primarily Assembly Speaker Willie Brown, Senate President pro Tempore David Roberti, and their controlled committees—to identify themselves as the sources of "No on 131" television advertising in compliance with Proposition 105, a truth-in-initiative-advertising law enacted by the voters in 1988. Proposition 131 was one of two initiatives on the November ballot that would impose term limits on legislators and statewide elected officials. It was leading 2-1 in the polls until the final two weeks of the campaign, when Brown and Roberti began running opposition ads featuring actresses Angela Lansbury and Sharon Gless—ads which failed to disclose the identity of the parties paying for them. Proposition 131 was eventually defeated; Proposition 140, which imposes even harsher term limits than did Proposition 131, was narrowly passed.

In their defense, the legislators hope to capitalize on a strange loophole in the truth-in-advertising law, which cancels the disclosure requirement if the ad is targeted equally at two initiatives. CPIL's clients claim that far more than 50% of the ad was targeted only at Proposition 131. The only remedy provided by the disclosure law for its violation is treble damages, which CPIL's clients are seeking against the No on 131 & 140 Committees (which paid for the ads) and a San Francisco television station which ran the ads after being told they were illegal. The case may be abated pending the resolution of a case now on appeal which tests the constitutionality of Proposition 105, upon which CPIL's suit is based.

CPIL recently represented San Diego psychologist Dr. Frank McGuigan in *McGuigan v. Board of Psychology*, No. 364481 (Sacramento County Superior Court), challenging BOP's refusal to grant Dr. McGuigan an administrative hearing on its denial of his request for waiver of the licensing examination. Dr. McGuigan's request was based on his psychologist licensure in two other states and his significant contribution to psychology, under Business and Professions Code section 2946. In July 1990, CPIL staff counsel Terry Coble filed suit seeking the hearing under the Administrative Procedure Act (APA), after

McGuigan had failed in his attempts to secure the waiver and/or the hearing for over three years. On July 25, BOP agreed to give Dr. McGuigan the hearing, while maintaining it has no legal obligation to afford him the hearing and conditioning the offer upon his agreement to dismiss his lawsuit with prejudice. Dr. McGuigan refused, on the basis of his belief that other psychologists who meet the criteria of section 2946 should not have to file suit in order to secure their rights under the APA. On August 31, CPIL went to court, seeking an order requiring BOP to provide an administrative hearing in all such instances, not merely when an aggrieved applicant files a lawsuit. Because the Board had offered to give Dr. McGuigan a hearing on its denial, the court dismissed the case as moot (over CPIL's strong objection that the voluntary cessation of illegal activity is not grounds for rendering a case moot). CPIL has appealed the ruling.

In other litigation, CPIL recently appeared as a party and as counsel in *Caballero v. McMahon*, No. 365269 (Sacramento County Superior Court), in which plaintiffs challenged the enactment of SB 2454 (Chapter 465, Statutes of 1990). As introduced and heard in numerous committees, SB 2454 mandated the State Registrar to design a new decorative heirloom marriage certificate and to provide these certificates upon request and payment of a fee. Late in the legislative session, the bill was amended to include new provisions on the entirely different subject of early welfare fraud prevention. CPIL and numerous other parties challenged the bill as violative of the "single subject rule" in Article IV, section 9 of the California Constitution. After a November 16 hearing, the court agreed and invalidated the entire bill.

During the 1991 legislative session, CPIL has drafted and will sponsor a bill to prevent civil litigants from agreeing to seal court files which contain information relative to professional malpractice or consumer product dangers. Senator Bill Lockyer, chair of the Senate Judiciary Committee, plans to carry the bill. CPIL is also a strong supporter of AB 102 (Connelly), which would reinstate the Brown Open Meetings Act agenda requirement improvidently blue-penciled by Governor Deukmejian during the 1990 budget crisis. (See CRLR Vol. 10, No. 4 (Fall 1990) p. 13 for background information.)

CPIL is also involved in the research and drafting of additional measures at the request of legislators, including the following: a financial institution regulatory reform package developed in con-

junction with Tom Papageorge of the California District Attorneys' Association and likely to be carried by Assemblymember Terry Friedman or Senator Robert Presley; a bill to create and regulate a new class of legal practitioner—the legal technician; a bill to further improve the physician discipline system of the Medical Board; and a possible bill to substitute a court-assessed civil penalty system against police agencies for constitutional violations in lieu of enforcement through the exclusionary rule. These last three bills are likely to be carried by Senator Robert Presley.

According to CPIL chief legislative advocate Steve Barrow, the Center will also assist with two bills it helped draft which failed enactment during 1990. The CPIL-drafted bill to create an office of special prosecutor to pursue specified political crimes by government officials may be reintroduced by Senator Lucy Killea (AB 410 in 1990). Also, Senator Gary Hart has requested CPIL's assistance in advocating a bill allowing a corporation to be subject to probationary conditions following criminal conviction. SB 2500 (Hart), so providing, achieved passage in 1990 but was vetoed by Governor Deukmejian.

The Center will also be exploring other issues in the legislature, including generic reforms to the APA, reform of engineer billing practices, and—through its affiliated Children's Advocacy Institute—will pursue an additional package of eight bills by six legislative authors affecting the Board of Control, child abuse detection, child care insurance, and the organization and funding of children's services.

On October 3—the fifth birthday of the embattled California Lottery, the Senate Governmental Organization Committee held a public hearing on numerous aspects of the Lottery. CPIL staff counsel Elisa D'Angelo testified at the hearing, focusing her remarks on the Lottery's huge advertising budget, the State Lottery Commission's failure to properly supervise the contents of the advertising campaign, and some questionable advertising tactics used by the Lottery. D'Angelo suggested several legislative changes for the Committee's consideration (see *supra* FEATURE ARTICLE for detailed background information). On November 11, Senator Dills, chair of the Senate Governmental Organization Committee, contacted CPIL and asked it to draft several of the legislative amendments recommended by D'Angelo in her testimony. Dills is expected to introduce the legislation in early 1991.



CPIL Program Manager Beth Givens continues work on the inside wiring grant jointly awarded to CPIL and the Utility Consumers' Action Network (UCAN) by the Public Utilities Commission's Telecommunications Education Trust. During the fall, Givens coordinated the publication of four informational brochures and a poster, which are now being distributed to several target groups which have been identified as being the least aware of their rights and responsibilities regarding telephone inside wiring (IW). The most popular of the brochures ("What to Do When the Phone Doesn't Work") has been printed in English, Spanish, Filipino, Vietnamese, Cambodian, Lao, Hmong, and Chinese. UCAN recently devoted a special issue of its *Watchdog* newsletter exclusively to inside wiring and other telecommunications-related issues.

Finally, CPIL has been contacted by representatives of newly elected Insurance Commissioner John Garamendi and asked to advise the Commissioner on organizational and technical questions relevant to CPIL's previous insurance regulation participation, and to assist in the implementation of Proposition 103. (See CRLR Vol. 10, No. 1 (Winter 1990) p. 25; Vol. 9, No. 4 (Fall 1989) pp. 17-18; and Vol. 9, No. 3 (Summer 1989) pp. 15 and 86-87 for background information.)

## COMMON CAUSE

10951 W. Pico Blvd.  
Los Angeles, CA 90064  
(213) 475-8285

California Common Cause (CCC) is a 55,000-member public interest lobbying organization dedicated to obtaining a more open, accountable and responsive government and decreasing the power of special interests to affect the legislature.

## MAJOR PROJECTS:

In October, California Common Cause and Public Citizen (Washington, D.C.) issued a report entitled *Clearance Sale of the Decade: The Role of California Elected Officials in the S&L Scandal*. The report explained that during the 1980s, savings and loan interests contributed more than \$4 million to California legislators, who promptly and irresponsibly deregulated the S&L industry. Thereafter, savings and loan institutions invested in junk bonds and other risky ventures—resulting in the collapse of the S&L industry and the current \$350 billion taxpayer-financed

bailout. The report concentrates on the Sacramento connection to the S&L scandal.

According to the report, the California legislature brought the S&L money back to Sacramento by "out-deregulating" the federal government. While federal deregulation allowed S&Ls to invest 40% of their deposits in high-risk ventures, California deregulation invited S&Ls to invest 100% of deposits in speculative deals. As a result, many federally chartered S&Ls converted to California charters—235 applications to open new thrifts were filed in California in just two years. At the same time, the number of state S&L examiners and appraisers dropped from 109 in 1977 to 31 in 1983.

The report maintains that during the early 1980s, the California legislature and administration allowed the S&Ls to be owned by almost anyone and to invest in almost anything. "California lawmakers started a second gold rush, as S&L 'entrepreneurs' flocked to the state to stake their claims. The story ends in insolvency and a multi-billion dollar bailout." According to the report, S&Ls "found [California] lawmakers willing to open the vaults and turn their backs. The California politicians who let state-chartered S&Ls invest as they pleased, profited as well. They accepted millions of dollars in campaign contributions from the S&Ls, many of which are now insolvent and/or targets of FBI investigations."

The report said that Assemblymember Tom Bane, who carried a key S&L deregulation bill in 1983, accepted \$513,000 in contributions from S&L interests between 1979 and 1989—more than any other legislator. By contrast, U.S. Senator (and now California Governor) Pete Wilson, the top congressional recipient of S&L contributions, collected \$243,000 during the same period. Many of the largest campaign contributions in California came from S&Ls that are now insolvent or under investigation by the FBI, including American Savings & Loan (\$327,000), Columbia Savings & Loan (\$240,000), Mercury Savings & Loan (\$190,000), and Lincoln Savings & Loan and its parent company, American Continental Corporation (\$165,000).

The Common Cause/Public Citizen report called the S&L catastrophe not only a financial disaster, but a political scandal of unprecedented proportion. "It is a scandal that demands not just strict regulation of the S&L industry, but even more urgently, reasonable term limits and campaign finance reform. This study demonstrates again that money and politics make dangerous bedfellows—that it

is time to get the special interests and their money out of Sacramento." To obtain copies of the report, contact Common Cause at the address listed above. (See CRLR Vol. 10, No. 4 (Fall 1990) p. 1 for further information on this issue.)

According to a Common Cause report issued on November 20, California voters registered their dissatisfaction in the November election by voting in record numbers against incumbents and for third party candidates. The study is based on the Secretary of State's 1990 *Race Summary Report* and the *Statement of the Vote for the 1986 and 1988 General Elections*. CCC's analysis found that:

- Third party candidates received twice as many votes on average in the 1990 election, compared to the 1988 election.

- The margin of victory for California's congressional, Senate and Assembly incumbents shrank by as much as twenty percentage points in some cases. On average, incumbents' margin of victory decreased by six points.

- Though California voters returned most incumbents to office, many incumbents no longer hold "safe seats" (receiving at least 60% of the vote).

"Voters are not going to vote for a challenger they've never heard of. But in 1990, a significant number of voters voiced their dissent by voting against incumbents and in favor of third party candidates," said CCC policy analyst Kim Alexander. "Many of California's incumbents will be vulnerable in 1992. If they are challenged by a well-known opponent, the incumbent's chance of losing will be much greater the next time around."

In the 1991 legislative session, California Common Cause will support SB 55 (Alquist), which would create the California Constitution Revision Commission. The bill would require the newly formed commission to submit a report to the legislature and governor by October 1, 1991, indicating its findings with respect to the formulation of the state budget and making recommendations for improving the budget process. The commission would cease to exist on February 1, 1993.

CCC also plans to sponsor or support legislation to require a large-type disclosure on the top of both sides of so-called "slate mailers" stating, "This is not an official party endorsement"; legislation to clarify and strengthen existing provisions requiring disclosure of the identity of major funders of initiative campaigns in all advertising; and a variety of measures to liberalize voter registration and absentee voting requirements.





## CONSUMER ACTION

116 New Montgomery St., Suite 223  
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(415) 777-9635

San Francisco Consumer Action (CA) is a nonprofit consumer advocacy and education organization formed in 1971. Most of its 2,000 members are in northern California but significant growth has taken place in southern California over the past year. CA is a multi-issue group which since 1984 has focused its work in the banking and telecommunications industries.

CA has filed petitions with and appeared before the California Public Utilities Commission (PUC) in the field of telephone rates. Statewide pricing surveys are published periodically comparing the rates of equal-access long distance companies and the prices of services offered by financial institutions. Once each year, CA publishes consumer service guides for the San Francisco Bay area and the Los Angeles area which list agencies and groups offering services to consumers and assisting with complaints. A free consumer complaint/information switchboard is provided by CA, and the group publishes a regular newsletter which includes the pricing surveys. More than 20,000 individual consumers requested CA publications during 1989. Consumer organizations requested bulk orders of CA publications in 1989 which exceeded 350,000 copies.

### MAJOR PROJECTS:

Consumer Action's eighth annual credit card survey, released on November 20 in Los Angeles and San Francisco, found that low-interest-rate credit cards have become very difficult to locate. Within California, only three institutions issue credit cards with annual percentage rates (APR) at or below 16%. Nationwide, CA was able to verify only nine other low-interest cards available to Californians. "Even more disturbing," noted CA, "the survey reveals that instead of offering competitive rates, a large segment of the credit card industry has adopted 19.8% APR as an official standard." Consumer Action published its 1990 Credit Card Survey in the November issue of *Consumer Action News*, which is available free to those who send a self-addressed, stamped, business-size envelope with 45 cents postage to the CA address listed above.

In 1988, CA found nine institutions in California offering low-interest cards with APRs of 16% or below. This number dropped to six in 1989 and only three in 1990. (See CRLR Vol. 10, No. 1

(Winter 1990) p. 27 for background information.) Outside California, twenty low-interest cards were offered in 1987, but only nine were available in 1990. In California, over one-third of the credit cards surveyed had interest rates of 19.8%, with an average rate of 18.25%. Nationwide, eight of the top ten credit cards issued carried rates of 19.8%. The lowest credit card interest rate available statewide at the time of CA's study was the Bank of Canton of California at 14% on Visa or Mastercard.

CA Executive Director Ken McEl-downey urged consumers to shop comparatively, noting, "Every single point of interest costs U.S. credit card holders \$1.22 billion in interest every year." CA found that many consumers intend to pay off their card's balance each month, but end up paying only the monthly minimum. For example, during the December 1989 holiday season, consumers charged \$10 billion more than they paid off in the two months of the new year.

In contrast to previous surveys, CA found no credit cards without annual fees. During 1990, these fees ranged from a low of \$12 at Eureka Bank to a high of \$25 at First Interstate Bank. The survey also found that many credit unions generally have lower interest rates and fees. McEl-downey concluded, "We're keeping a close eye on this trend. We're very worried about the lack of choices in the marketplace, not only in this state but nationwide. Consumers are paying needlessly high APRs and will continue to do so until they make it clear to the financial institutions that they want lower interest rates."

The November issue of *Consumer Action News* reported that the federal Telephone Operator Consumer Services Improvement Act of 1990 was signed into law on October 17 (H.R. 971—Representative Jim Cooper, D-Tennessee; and S. 1660, Senator John Breaux, D-Louisiana). The law grants the Federal Communications Commission (FCC) authority to prescribe rules governing alternative operator services (AOS) in order to protect consumers from unfair practices. AOS companies provide operator services at many hotels, hospitals, and pay phones in competition with long distance companies. The FCC received more than 4,000 complaints regarding AOS companies from January 1988 through February 1990. With regard to these complaints, S. 1660 states, "Those consumers have complained that they are denied access to the interexchange carrier of their choice; that they are deceived about the identity of the company providing operator services for their calls and the rates being charged;

that they lack information on what they can do to complain about unfair treatment by an operator service provider; and that they are, accordingly, being deprived of the free choice essential to the operation of a competitive market."

Consumer Action is pleased with the bill, but would have preferred the inclusion of a provision placing a cap on AOS rates to prevent price gouging, similar to the California law for AOS calls. Under H.R. 971/S. 1660, the FCC has the authority to raise AOS rates after an application has been filed if the agency believes the rates are reasonable. CA also argued for a provision in the bill (which was not included) that would have prohibited AOS companies from blocking access to any long distance company if a caller dials the access code. H.R. 971/S. 1660 requires that the AOS company identify itself to a caller before the caller incurs any charge for the call. The AOS company must also provide information on billing and charges when requested, as well as the method by which the caller may complain about rates and service. Finally, the bill requires that the FCC undertake a two-year study of the AOS situation and submit a final report to Congress. (See CRLR Vol. 9, No. 3 (Summer 1989) pp. 16-17 and Vol. 8, No. 4 (Fall 1988) p. 20 for background information on CA's AOS advocacy.)

## CONSUMERS UNION

1535 Mission St.  
San Francisco, CA 94103  
(415) 431-6747

Consumers Union (CU), the largest consumer organization in the nation, is a consumer advocate on a wide range of issues in both federal and state forums. At the national level, Consumers Union publishes *Consumer Reports*. Historically, Consumers Union has been very active in California consumer issues.

### MAJOR PROJECTS:

On January 3, CU filed suit in San Francisco County Superior Court, charging that Aetna Finance Company added an illegal overcharge to more than 50,000 consumer loans in the past four years. The suit would require Aetna Finance Company to refund monies improperly collected on loans and to stop future collections of loan payments, totaling \$47.2 million. Aetna Finance does business in California under the name ITT Financial Services.

"Aetna Finance Company and ITT Financial Services have illegally and



blatantly picked the pockets of thousands of small borrowers," warned CU staff attorney Gail Hillebrand. The CU action was filed as a cross-complaint in a suit filed on December 7 by Aetna Finance, in which it asked the court to declare the overcharge legal. At issue is Aetna/ITT's practice of charging borrowers of \$1,000 or less a 5% administrative fee both on the loan and on the fee itself. The result, according to CU, is an average overcharge of about \$2 affecting more than 50,000 small loans. The California Legislative Counsel has issued a ruling that such "fees on fees" violate the California Financial Code.

CU's Hillebrand said, "Consumers Union is asking the court to stop Aetna Finance Company and ITT from collecting any payments on loans upon which they assessed an illegal fee, and to refund payments consumers have already made on these loans. We estimate that the principal and interest on these loans for the past four years is \$47.2 million." She said annual reports filed by Aetna/ITT show most borrowers pay interest rates of 25% to 29% on these small loans, with some borrowers paying rates as high as 40%. Overcharging many people a small amount can be very profitable, and most consumers do not even know they have been overcharged. According to CU, state law provides that a lender caught willfully overcharging has no right to receive any payments on the loan.

On December 3, Consumers Union asked the federal Food and Drug Administration (FDA) to stop the sale of milk from cows treated with a genetically engineered growth hormone. The synthetic hormone is administered to cows to increase milk production. The growth hormone is manufactured by American Cyanamid, Eli Lilly, Monsanto, and Upjohn. The FDA has consistently argued the substance is safe for human health. On December 8, it released a statement by a government advisory panel reiterating that there is no danger in human consumption of milk and meat from cows treated with the hormone "recombinant bovine somatotropin" (or BST). The panel, convened by the National Institutes of Health, concluded that the hormone is a variant of a natural substance in blood. The committee admitted that its judgment was based on available information and that it did not have access to a large body of data regarding the hormone's effect on animal health. The substance is still under FDA review and has not been approved for broad use. In 1985, the FDA ruled that milk from cows treated with the hormone could be sold to the public. The

FDA claims the treated milk amounts to only about 1% of the nation's total milk supply.

Critics argue that there is no need to use the hormone now since there is no shortage of milk, and an increase in production could cause a harmful economic effect. According to the report, use of the drug is unlikely to lower milk prices and may cost consumers more if the federal government must spend more to buy up milk surpluses.

In its 26-page report, Consumers Union called for a new investigation of the health effects of using the hormone and said the 1985 FDA decision was premature. Beyond the human health concerns, CU asserted there are questions about the hormone's effect on animals' health. Consumer and health groups have warned of increasing incidence of infections from use of the hormone and from the demands on individual cows for abnormally high production of milk. More animal disease could lead to increased use of antibiotics and other drugs, thus raising the levels of drug residues in milk supplied to consumers.

## ENVIRONMENTAL DEFENSE FUND

*Rockridge Market Hall  
5655 College Ave.  
Oakland, CA 94618  
(415) 658-8008*

The Environmental Defense Fund (EDF) was formed in 1967 by a group of Long Island scientists and naturalists concerned that DDT was poisoning the environment. EDF was a major force behind the 1972 federal ban of DDT.

Staffed by scientists, economists, and attorneys, EDF is now a national organization working to protect the environment and the public health. Through extensive scientific and economic research, EDF identifies and develops solutions to environmental problems. EDF currently concentrates on four areas of concern: energy, toxics, water resources and wildlife.

### MAJOR PROJECTS:

The October 1990 issue of *EDF Letter* reported that McDonald's Corporation has agreed to work in a joint task force with EDF to identify new ways to reduce the trash generated by its more than 11,000 restaurants worldwide. Recently, McDonald's also announced it is phasing out styrofoam packaging and replacing it with paper products. EDF has been involved in negotiations with McDonald's regarding its solid waste since July 1989. With this project, EDF

hopes to create a waste reduction blueprint for the entire fast-food industry.

The task force will examine all aspects of McDonald's operations that contribute to waste generation and identify ways to reduce, reuse, recycle, and compost the waste. In the spring of 1991, the task force will release a report detailing waste reduction recommendations. McDonald's may or may not implement the recommendations, but EDF will be free to publicize and advocate its own conclusions from the study. EDF is considering several options, including the use of fewer materials in packaging and shipping, more unbleached paper products, more recycling and use of recycled materials, and composting of organic waste. EDF will not accept any funding from McDonald's nor allow the company to use EDF's name in advertising or promotion.

Last summer in Houston, a coalition of major environmental organizations joined forces to promote an environmental agenda at the economic summit of the seven major industrialized nations (the United States, Canada, Great Britain, France, Japan, Italy, and Germany). Banding together as an "EnviroSummit" and seeking to persuade the governments to carry out their espoused environmental policies were EDF, Friends of the Earth, National Audubon Society, National Wildlife Federation, Sierra Club, Natural Resources Defense Council, Union of Concerned Scientists, the Wilderness Society, and non-governmental organizations from the "Group of Seven" nations.

The coalition developed a set of environmental proposals in six areas: global climate change and energy policy; protection of critical ecosystems; ocean pollution; population; environmental aid to eastern Europe; and economic policies affecting developing countries and the environment. They compiled a "scorecard" to evaluate and rank the performances of the seven nations in the six areas of concern. The scorecard and a thirty-page detailed analysis were released at a news conference in Houston during the summit. The scorecard placed the Federal Republic of (West) Germany in first place, with the United States and Canada tied for fourth place. EnviroSummits are planned for next year's "Group of Seven" economic summit in London.

EDF and ten other environmental groups have petitioned U.S. Department of the Interior Secretary Manuel Lujan to list the Pacific yew tree as a threatened species under the federal Endangered Species Act. The American



Cancer Society also asked Lujan to "take any and all actions to protect the tree as a threatened species." The bark of the Pacific yew is the only known source of taxol, one of the most promising new drugs used in treating various cancers, including advanced ovarian cancer. The tree grows mainly in the ancient forests of the Pacific Northwest, has been seriously depleted by heavy logging, and receives virtually no protection on either private or public lands. A shortage of taxol is impeding medical research, and all attempts to synthesize the drug have failed. According to one estimate, only 5% of original Pacific yew habitat remains. The tree grows slowly and does not reestablish itself after clearcutting or in tree plantations during a typical fifty-to eighty-year rotation period.

Preliminary studies show that taxol may also help in treating cancers of the lung, breast, head, neck, and stomach, and malignant melanoma. Listing the tree as threatened would authorize the government to protect the species from habitat destruction and commercial exploitation. The listing would permit a controlled sustainable harvest of yew for medical research while prohibiting unauthorized collection of the tree for other purposes. "The yew is an example of the need to protect forests and the myriad living resources within them," said Bruce Manheim, EDF attorney-scientist who drafted the EDF petition to Lujan.

### FUND FOR ANIMALS

Fort Mason Center, Bldg. C  
San Francisco, CA 94123  
(415) 474-4020

Founded in 1967, the Fund works for wildlife conservation and to combat cruelty to animals locally, nationally, and internationally. Its motto is "we speak for those who can't." The Fund's activities include legislation, litigation, education, and confrontation. Its New York founder, Cleveland Amory, still serves without salary as president and chief executive officer.

#### MAJOR PROJECTS:

Fund for Animals' second biannual 1990 newsletter reported that Tony La Russa, manager of the Oakland A's baseball team, has joined the Fund's "Sportspersons for Animal Rights" campaign. He is assisting the Fund's efforts to save the California black bear from hunting. At a summer state Capitol protest, La Russa sent a statement to be read, which said in part, "Shooting the remarkable black bear out of a tree at

point blank range is no sport at all. It's cruelty, plain and simple. I say that not only as an athlete and manager of the Oakland A's, but as a person who strives to be compassionate...It's up to all of us to see that the black bear does not follow the grizzly into the archives of California history."

On October 3, the Fund presented the second half of its litigation to prevent the Department of Fish and Game (DFG) from proceeding with its announced black bear hunt. On August 8, the Sacramento Superior Court had agreed with the Fund and blocked bow-and-arrow hunting of black bears (see CRLR Vol. 10, No. 4 (Fall 1990) pp. 28-29 and 156-57 for background information). However, in October, the court ruled that DFG's environmental impact document on the firearm portion of the proposed hunt was adequate; that aspect of the black bear hunting season began on October 12.

Last summer, Fund for Animals activists protested the Ringling Brothers and Barnum & Bailey Circus in Los Angeles and several other cities, carrying signs which read, "The Cruellest Show on Earth." They distributed fliers opposing the exploitation of captive and performance animals as "jesters for human entertainment." Fund President Cleveland Amory blasted the circus for using animals to "do stupid tricks." He said the circus is "a relic of a barbaric age—an anachronism. This doesn't send the message children should have about saving animals in the wild." Animal rights activists vowed to follow the circus everywhere and educate the public about its alleged mistreatment of animals.

In the 1991 legislative session, California Fund for Animals will support legislation to:

- prohibit use of double-decker trucks in the transport of horses for slaughter;
- ban the draize eye-irritancy and skin irritancy tests on animals for cosmetics;
- add poultry to the list of animals to be humanely slaughtered;
- regulate pet shops to protect dogs and customers from exploitation by the "puppy mill" industry;
- require a veterinarian to be present at rodeos;
- protect pets from being stolen and sold to laboratories for animal research;
- ban the small crate used in raising veal calves;
- end the trophy hunting of Nelson bighorn sheep;
- change the Fish and Game Commission to the Fish and Wildlife Commission with twelve members, including three public members; one animal protectionist, and one environmentalist;

- ban the hunting of black bears; and
- raise the penalties for cock fighting against organizers, trainers, and owners.

To obtain a *Voting Record of the California State Legislature, 1989-90*, contact PAW PAC, P.O. Box 2354, San Francisco, CA 94126; (415) 841-7108. For alerts on California legislation related to wildlife conservation and animal protection, send a tax-deductible donation to Fund for Animals, c/o Rose Lernberg, 831 Balra Dr., El Cerrito, CA 94530. For alerts on federal legislation, send a non-tax-deductible donation to Society for Animal Protective Legislation, P.O. Box 3719 Georgetown Station, Washington, D.C. 20007, or to the Humane Society of the United States, 2100 L St., N.W., Washington, D.C. 20037.

### LEAGUE FOR COASTAL PROTECTION

P.O. Box 190812  
San Francisco, CA 94119-0812  
(415) 777-0220

Created in 1981, the League for Coastal Protection (LCP) is a coalition of citizen organizations and individuals working to preserve California's coast. It is the only statewide organization concentrating all its efforts on protecting the coast. The League maintains a constant presence in Sacramento and monitors Coastal Commission hearings.

#### MAJOR PROJECTS:

The fall 1990 issue of LCP's *Coastlines* newsletter noted that either gubernatorial candidate—Republican Pete Wilson or Democrat Dianne Feinstein—would be beneficial to the California coast, in sharp contrast to the anti-environmental era under Governor Deukmejian. Although both the Sierra Club and the California League of Conservation Voters endorsed Dianne Feinstein, the League said, "Both candidates have taken strong, positive leadership on...coastal protection...." *Coastlines* said Pete Wilson has opposed offshore oil drilling as mayor of San Diego and as a United States Senator. LCP pointed out that although Wilson has said he supports a permanent moratorium on further lease sales off the coast, he has not endorsed Representative Barbara Boxer's National Ocean Protection Act (H.R. 3751). Wilson also failed to cosponsor or endorse Boxer's California Ocean Sanctuary bill (H.R. 48) to ban oil drilling off the California coast. Wilson opposed Proposition 128 (the "Big Green" initiative) on the November ballot, but said he will create a



cabinet-level state Environmental Protection Agency.

Wilson also stated he would "support and adequately fund a strong, effective coastal protection program under the California Coastal Commission." In the past, he has shown interest in protecting estuaries and wetlands, according to LCP. In 1984, he played a key role in winning wild and scenic status for the Tuolumne River. More recently, at the urging of environmentalists, he adopted a "wait-and-see" approach to the proposed Auburn Dam on the American River.

In his November *Coastlines* commentary, LCP Chair Mel Nutter noted that a new era of refreshing politics is beginning with a new governor who will be much more favorable to coastal protection issues. Nutter urged coastal protection advocates to re-assert and revitalize their mission.

## NATURAL RESOURCES DEFENSE COUNCIL

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The Natural Resources Defense Council (NRDC) is a nonprofit environmental advocacy organization with a nationwide membership of more than 125,000 individuals, more than 38,000 of whom reside in California. Since 1972, NRDC's western office in San Francisco has been active on a wide range of California, western, and national environmental issues. Most of that work is now grouped under five subject-matter headings: public lands, coastal resources, pesticides, energy, and water supply. In these areas, NRDC lawyers and scientists work on behalf of under-represented environmental quality interests before numerous state and federal forums. Public health concerns are increasingly a priority, in addition to conservation of nonrenewable resources and ecosystem preservation.

NRDC has been active in developing energy conservation alternatives to new power plants and offshore oil drilling, and resource-conserving land use policies in California's coastal counties and federally-managed lands. Notable recent achievements by NRDC include leadership of coalitions which have developed broadly-supported federal legislative initiatives on pesticide regulation and efficiency standards for household appliances.

Agricultural water supply and drainage issues are taking on growing importance with NRDC, including the

widely-publicized contamination of the Kesterson Wildlife Refuge and the broader policy issues underlying that crisis. In California, NRDC appears frequently before the Coastal Commission, Energy Commission, and Public Utilities Commission. NRDC headquarters is in New York City, with branch offices in Washington, D.C., San Francisco, Los Angeles, and Honolulu.

### MAJOR PROJECTS:

On December 20, NRDC joined with a coalition of environmental, poverty, and civil rights legal groups in filing *Matthews v. Kizer*, No. C90-3620-EFL, in federal court in San Francisco. The defendant is the State of California, through Department of Health Services director Kenneth Kizer. In this class action complaint, plaintiffs challenge the state's failure to require blood lead level testing as part of its Medi-Cal program, alleging that the federal Medicaid statute "imposes a mandatory duty upon the [state] to ensure that blood lead levels are measured in poor children." DHS asserts that the federal statute imposes no such requirement; thus, the court must determine which interpretation is correct. The suit also alleges that the state's failure to provide mandatory lead testing and treatment programs violates the civil rights of California's poor children.

Many other states are apparently ignoring what plaintiffs believe is a federal requirement, and NRDC hopes this lawsuit will trigger similar suits across the nation. According to the complaint, "Lead poisoning is one of the most serious and widespread environmental diseases affecting children in the United States. Over three million children—one in six—have levels of lead in their blood high enough to cause significant impairment to their neurological development." Lead poisoning was recently called "the No. 1 environmental problem facing America's children" by the head of the federal Centers for Disease Control.

In the October/November issue of NRDC's *Newsline* newsletter, NRDC attorney David Goldstein reported that world oil prices have increased from \$18 per barrel before Iraq's Saddam Hussein invaded Kuwait to as high as \$40 per barrel afterward. According to Goldstein, "The problem is not a shortage of supply....The Strategic Petroleum Reserve is available for use in the event of disruptions in world markets. Calls to drill on protected federal lands miss the point: they do not respond to the true problem, which is sudden price increases rather than shortages. At most, oil pro-

duction on unleased portions of the Outer Continental Shelf, and in the Arctic National Wildlife Refuge could provide less than one percent of world oil supplies by early in the next century." Goldstein added, "The good news is that we have tremendous unexploited resources of energy efficiency. What is lacking is a government commitment to acquire these resources."

NRDC's recommendations to the federal government for developing energy efficiency resources include the following:

- Enact miles-per-gallon standards for cars (Senator Bryan's S. 4532 or Representative Boxer's H.R. 1224).

- Increase funding for mass transit systems and Amtrak. Diverting federal funds from highway construction to transit construction could accomplish this at no cost to taxpayers.

- Modify federal home loan programs to give energy-efficient homes preferential treatment and to encourage weatherization of existing homes at point of sale. The equivalent of one million barrels of oil per day could be saved through weatherization programs modeled on NRDC's pilot project in Hood River County, Oregon, which weatherized 85% of the eligible homes in a test community in three years.

- Phase in an "Energy Security/Environmental Externality/Carbon" tax of 50 cents per gallon on gasoline timed to minimize price shocks.

- Require that federal facilities reduce their energy consumption by 5% per year below 1990 levels for the next five to seven years.

- Enact a revenue-neutral system of rebates for high-fuel-economy cars and fees on low-fuel-economy cars. This market-based system provides manufacturers the incentive to develop cost-effective efficiency technologies.

The fall 1990 issue of NRDC's *Amicus Journal* carried a cover story on the contamination and clean-up problems of the nation's network of 17 nuclear weapons plants and facilities in 13 states, which collectively employ over 100,000 people. Since the end of World War II, the government has spent over \$250 billion on the production of about 60,000 nuclear warheads. Official estimates of cleaning up the extensive radioactive and toxic chemical contamination at these sites have approached \$180 billion or more over the next 25 years.

In July 1990, the federal Department of Energy (DOE), which has authority over the nuclear weapons program, admitted that at one facility—the Hanford Reservation near Richland,



Washington—more than 540,000 curies of radioactive iodine 131 were released into the atmosphere from nuclear reactors between 1944 and the mid-1950s. "Compare that to the 1979 accident at Three Mile Island, during which about 15 curies were emitted," author Dick Russell said. "Families living near Hanford...may have received radiation doses over the years ten times higher than did residents living near Chernobyl at the time it melted down." A major concern at the Hanford facility is the revelation in a recent DOE advisory committee report of possible catastrophic explosions at one or more of the 177 Hanford nuclear waste storage tanks, which contain tens of millions of gallons of highly radioactive and chemical waste products from the manufacture of nuclear bombs. Reactors at Hanford have been busy for many years creating plutonium for nuclear weapons. The reservation is also a vast radioactive waste storage site. The last of its plutonium processing plants was closed in December 1988 for safety reasons.

*Amicus Journal* said the Bush administration seeks to continue producing nuclear weapons even though the Cold War has wound down, and that DOE is planning to restart three nuclear reactors to produce tritium at the Savannah River, South Carolina, facility—reactors which have been shut down because of safety concerns. Tritium is a radioactive form of hydrogen essential for thermonuclear warheads.

NRDC attorney Dan Reicher says there must be a "...full debate on the need for additional nuclear weapons materials and warheads, which takes into account radically changed world conditions and the prospects for further arms control....NRDC's view is that we've reached a point where much of the information [about the nuclear weapons program] that's long been held secret can be revealed, without serious national security risks." (See CRLR Vol. 10, Nos. 2 & 3 (Spring/Summer 1990) p. 37 for background information on NRDC's advocacy in this area.)

#### PACIFIC LEGAL FOUNDATION

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Sacramento, CA 95833  
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The Pacific Legal Foundation (PLF) is a public interest law firm which supports free enterprise, private property rights, and individual freedom. PLF devotes most of its resources to litigation, presently participating in 96 cases in state and federal courts.

#### MAJOR PROJECTS:

PLF's Winter 1990 *In Perspective* newsletter reported that the authors of Proposition 140, approved by the electorate in November, have asked PLF to defend its constitutionality in anticipated litigation. Proposition 140 amends the state constitution to limit members of the state Assembly to three terms (six years) and members of the state Senate to two terms (eight years). The governor and most other elected executive branch officers are similarly limited to two four-year terms. Proposition 140 also reduces legislative expenses by 38% (about \$70 million per year) and terminates the special pension fund for legislators, placing the lawmakers in the federal Social Security system. Assembly Speaker Willie Brown, Jr., Senate President pro Tem David Roberti, and others have threatened to challenge Proposition 140 in court; at this writing, no suits have yet been filed.

In December, PLF and the State Bar of California reached a tentative settlement in *Keller v. State Bar*, in which the U.S. Supreme Court ruled that the Bar is prohibited from using compelled dues to support political/ideological activities other than those directly related to the regulation of the legal profession. (See CRLR Vol. 10, Nos. 2 & 3 (Spring/Summer 1990) p. 37-38; Vol. 10, No. 1 (Winter 1990) p. 155; and Vol. 9, No. 4 (Fall 1989) pp. 23 and 138 for background information on the case.) The State Bar will pay the as-yet-undisclosed legal fees of PLF and will implement a "negative check-off" procedure enabling its members who disagree with the Bar's political positions to have a portion of their dues refunded. Left unsettled, according to PLF and the Bar, is the extent to which the Bar may take political positions. According to State Bar General Counsel Diane Yu, the U.S. Supreme Court never specifically prohibited the Bar from taking political positions. Anthony Caso, PLF's lead attorney in the case, warned that if the Bar or its Conference of Delegates goes too far in pushing its political positions, there may be renewed litigation.

On December 31, the California Supreme Court upheld the sufficiency of an environmental impact statement for a proposed 400-room resort hotel along the Santa Barbara coast in *Citizens of Goleta Valley v. Board of Supervisors*. PLF participated as amicus curiae in the case. The court said there was enough evidence to support the county's conclusion that none of the alternative development sites were feasible. (See CRLR Vol. 10, Nos. 2 & 3 (Spring/Summer

1990) pp. 37-38 for background information.)

On behalf of the Associated General Contractors of California, PLF lodged an appeal in October with the U.S. Ninth Circuit Court of Appeals, again challenging what PLF characterizes as improper reverse discrimination by the City of San Francisco. A year ago, the Ninth Circuit invalidated much of San Francisco's 1984 hiring preference plan, which PLF says improperly grants job and residence preference to minorities, women, and local contractors. The court ordered the city to draft a new plan. PLF now claims the city's 1989 response includes most of the defects invalidated earlier and ignores the federal legal requirement that preferences apply only to victims of prior discrimination. The current PLF appeal argues that publicly-bid contracts for municipalities must be awarded to the lowest responsible bidder without regard to race, sex, residence, or any other arbitrary factor.

#### PLANNING AND CONSERVATION LEAGUE

909 12th St., Suite 203  
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The Planning and Conservation League (PCL) is a nonprofit statewide alliance of several thousand citizens and more than 100 conservation organizations devoted to promoting sound environmental legislation in California. Located in Sacramento, PCL actively lobbies for legislation to preserve California's coast; prevent dumping of toxic wastes into air, water, and land; preserve wild and scenic rivers; and protect open space and agricultural land.

PCL is the oldest environmental lobbying group in the state. Founded in 1965 by a group of citizens concerned about uncontrolled development throughout the state, PCL has fought for over two decades to develop a body of resource-protective environmental law which will keep the state beautiful and productive.

Since its creation, PCL has been active in almost every major environmental effort in California and a participant in the passage of numerous pieces of significant legislation, including the California Environmental Quality Act, the Coastal Protection Law, the act creating the Bay Conservation and Development Commission, the Lake Tahoe Compact Act, the Energy Commission Act, the Wild and Scenic Rivers Act, and laws which enhance the quality of urban environments.



PCL is supported by individual and group membership fees, with a current membership of more than 9,500 individuals. PCL established its nonprofit, tax-deductible PCL Foundation in 1971, which is supported by donations from individuals, other foundations, and government grants. The Foundation specializes in research and public education programs on a variety of natural resource issues. It has undertaken several major projects, including studies of the California coast, water quality, river recreation industries, energy pricing, land use, the state's environmental budget, and implementation of environmental policies.

## MAJOR PROJECTS:

On December 6, PCL celebrated 25 years of environmental protection in California with a gathering at the Mark Hopkins Hotel in San Francisco. Former PCL Executive Director Bill Press was master of ceremonies at the event which honored two PCL stalwarts—Michael Remy, PCL's president for the past ten years, and Dwight Steele, the group's senior vice-president.

The November 1990 issue of PCL's *California Today* newsletter highlighted the 25-year history of the organization. Before PCL came into existence in 1965, there was no full-time environmental lobbyist at the state Capitol. PCL was formed by a small group of San Francisco Bay Area conservationists and members of the California Roadside Council (CRC), a highway beautification group (anti-litter and anti-billboards). CRC, the Sierra Club, and other groups banded together to organize the Planning and Conservation League for Legislative Action. They hired an environmental lobbyist to work in Sacramento and opened an office in San Francisco. Today PCL is a true coalition, with a membership of more than 100 state, local and national groups, and an extensive track record of successful advocacy of significant environmental legislation and ballot initiatives.

In the next few years, PCL will focus on the following areas of environmental legislation:

- Wildlife and parks—a new study by the PCL Foundation indicates the need for as much as \$50 billion for land and habitat acquisition over the next twenty years to meet the needs of a rapidly growing population.

- Agricultural lands and open space—the state's most productive farmlands are being lost to development. PCL wants to preserve farmlands for future generations.

- Transportation—capital outlays and operating budgets for public transit systems continue to be underfunded.

- Growth and population—with a population increase of 700,000 each year in California, the challenge of controlling growth will be a major priority.

- Air quality—more stringent measures are required to clean up the state's air.

- Water—the declining condition of fisheries indicates that steps must be taken to mitigate the adverse effects of water development.

PCL's Proposition 116, the Clean Air and Rail Transportation Improvement Act passed by voters in June 1990, called for the formation of the "CalCar" committee to design a standard intercity commuter rail car for use in California. PCL nominated Dan McNamara, a PCL board member and president of the Train Riders Association, to the CalCar committee. PCL believes that using a standardized rail car design will prevent costly duplication of design efforts by different agencies, make economies of scale possible in purchasing the cars, and ensure fleet compatibility so agencies can exchange cars.

## PUBLIC ADVOCATES

1535 Mission St.

San Francisco, CA 94103

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Public Advocates (PA) is a nonprofit public interest law firm concentrating on the areas of education, employment, health, housing, and consumer affairs. PA is committed to providing legal representation to the poor, racial minorities, the elderly, women, and other legally underrepresented groups. Since its founding in 1971, PA has filed over 100 class action suits and represented more than 70 organizations, including the NAACP, the League of United Latin American Citizens, the National Organization for Women, and the Gray Panthers.

## MAJOR PROJECTS:

In early December, PA and the Latino Issues Forum asked the San Francisco County Superior Court to force the state Insurance Commissioner to pay them the full \$260,559 in attorneys' fees and costs they expended in participating in administrative proceedings to implement Proposition 103, the insurance reform initiative passed by the voters in November 1988. Former Insurance Commissioner Roxani Gillespie cut by nearly half the time claimed by the groups and lowered the hourly rates sought by as

much as \$60 per hour, leaving them with an award of only \$139,720. The two consumer groups represented fifteen low-income, minority, and consumer organizations in the administrative proceedings aimed at determining the appropriate rate of return due insurers under Proposition 103.

PA attorney Robert Gnaizda accused the Commissioner of slashing their fees in retaliation for disagreeing with her over Proposition 103 provisions and enforcement. According to Gnaizda, Gillespie urged the two groups to participate in eight months of Proposition 103 proceedings, complimented them on their participation and contribution to the proceedings, and then penalized them when they criticized her.

Health Access, the statewide coalition dedicated to comprehensive, universal, and affordable health care (co-founded by Public Advocates and chaired by PA staff attorney Lois Salisbury), released a study last summer showing that current health care spending, once intelligently rearranged, is sufficient to cover all Californians with comprehensive benefits, including long-term care. The Health Access proposal combines public financing with a private delivery system that would provide coverage to all Californians. The proposal preserves choice, controls costs through expenditure limits and the elimination of waste, provides comprehensive benefits, and would cost virtually the same as the present system (\$70 billion annually). Funds would be raised through a gross payroll tax on employees (equivalent to the average percent paid by employers who now cover their workers) plus a 1% employee payroll tax. The proposal would also increase the very highest income tax brackets and capture the substantial state and federal monies that are now disbursed through many fragmented programs. (See CRLR Vol. 10, No. 4 (Fall 1990) p. 33 and Vol. 10, Nos. 2 & 3 (Spring/Summer 1990) p. 38 for background information.) For more information on Health Access' proposal and legislation to be reintroduced soon, contact Maryann O'Sullivan, Executive Director of Health Access, at (415) 431-7430.

On September 25, the Public Utilities Commission (PUC) awarded Public Advocates intervenor compensation in the amount of \$130,048 for its substantial contribution to a 1985 PUC proceeding to establish policies and revisions to Pacific Bell's and GTE's Information Access Service (976) tariffs. The PUC determined that PA made a substantial contribution on key issues leading to PUC decisions in several areas: (1) that 976 calls be separated from other calls





on phone bills; (2) that a one-time adjustment of the vendor charge be made if 976 calls were made by a minor without parental knowledge or consent; (3) that charges be clearly stated in 976 advertisements and on the recorded messages for the 976 services; (4) that if a 976 number is designed for children, the advertisement must include oral and written messages about the costs of the call and about asking for parental consent before placing the call; and (5) that customers be allowed to block calling 976 numbers from their phones. The intervenor compensation award requires both PacBell and GTE to pay PA \$65,024; that cost is passed on to ratepayers.

### PUBLIC INTEREST CLEARINGHOUSE

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The Public Interest Clearinghouse (PIC) is a resource and coordination center for public interest law and statewide legal services. PIC is partially sponsored by four northern California law schools: Hastings School of Law, University of Santa Clara School of Law, Golden Gate School of Law, and University of California at Davis School of Law. The Clearinghouse is also funded by the California Legal Services Trust Fund and a subgrant from the Legal Services Corporation.

Through the Legal Services Coordination Project, PIC serves as a general resource center for all legal services programs in California and other states in the Pacific region. Services include information on funding sources and regulations, administrative materials, and coordination of training programs.

PIC's Public Interest Users Group (PUG) addresses the needs of computer users in the public interest legal community. Members include legal services programs in the western region of the United States, State Bar Trust Fund recipients, and other professionals in various stages of computerization. PUG coordinates training events and user group meetings, and serves as a clearinghouse for information shared by public interest attorneys.

PIC's biweekly *Public Interest Employment Report* lists positions for a variety of national, state, and local public interest organizations, including openings for attorneys, administrators, paralegals, and fundraisers. There is no charge for listing jobs in the employment report. A job resource library at

PIC's office is available to employment report subscribers and to the general public.

PIC's public interest law program at the four sponsoring law schools helps prepare students to be effective advocates for the poor and other disadvantaged members of society. A project known as "PALS"—the Public Interest Attorney-Law Student Liaison Program—matches interested law students with practitioners in the field for informal discussions about the practice of law.

PIC's Academic Project promotes and facilitates the interaction of law school faculty and legal services attorneys in furtherance of law in the public interest. Faculty members assist practicing attorneys with legal services cases, and staff attorneys help faculty with research and course materials.

PIC publishes the *Directory of Bay Area Public Interest Organizations*, which lists over 600 groups and information on their services and fees. PIC also publishes *Public Interest, Private Practice*, which lists over 250 for-profit law firms which devote a substantial portion of their legal work to the public interest.

PIC publishes the *Public Interest Advocate*, a newsletter of its public interest law program. The newsletter prints information on part-time and summer positions available to law students. It is published August through April for law students in northern California. Listings are free and must be received by the tenth of the month.

#### MAJOR PROJECTS:

The National Clearinghouse for Legal Services in Chicago recently joined forces with PIC to launch a major effort to expand LegalAid/Net, the legal services forum on HandsNet developed by PIC in 1988. The two clearinghouses will work together to ensure that LegalAid/Net is a comprehensive, well-coordinated communication and research tool for the legal services community. The National Clearinghouse will coordinate HandsNet activities of national support centers; post current Supreme Court decisions, as well as articles, case abstracts, and Federal Register highlights before they appear in the *Clearinghouse Review*; and edit other substantive materials on the computer network for style, content, timeliness, and Legal Services Corporation compliance.

Under the cooperation plan, PIC will be manager for outreach and training, and responsible for training legal services users on the computer system, developing materials, and recommend-

ing training designs; conducting training of trainers to increase the number of users able to provide help to others; providing technical assistance to users, and developing other consulting resources for programs to use; working with HandsNet to develop user manuals and materials addressing program management issues; and conducting out-reach efforts to the entire legal services community.

PIC's November/December 1990 *Legal Services Bulletin* reported that a new national group, Law Students for Pro Bono, has formed to encourage the establishment of mandatory pro bono work at law schools as part of legal education by the year 2000. Four law schools—Tulane, Florida State, the University of Pennsylvania, and Valparaiso—already have such programs. The student group believes it can significantly increase the amount of legal help available to the poor, while also exposing all law students to their professional obligations. For more information on the group, contact Jason Adkins or Michael Caudell-Feagan at the National Association for Public Interest Law, (202) 462-0120.

A recent survey by the *Public Interest Advocate* newsletter of PIC's public interest law program showed that of 160 of California's largest law firms, 51.3% allow billable hour credit for pro bono work. The unpublished survey was conducted by the State Bar's Standing Committee on Legal Services, and is part of the "Just Ask" campaign to encourage law students to ask about pro bono policies during job interviews.

### SIERRA CLUB

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The Sierra Club has 185,000 members in California and over 530,000 members nationally, and works actively on environmental and natural resource protection issues. The Club is directed by volunteer activists.

In California, Sierra Club has thirteen chapters, some with staffed offices. Sierra Club maintains a legislative office in Sacramento to lobby on numerous state issues, including toxics and pesticides, air and water quality, parks, forests, land use, energy, coastal protection, water development, and wildlife. In addition to lobbying the state legislature, the Club monitors the activities of several state agencies: the Air Resources Board, Coastal Commission, Department of Health Services, Parks Department, and Resources Agency. The Sacramento



office publishes a newsletter, *Legislative Agenda*, approximately fifteen times per year. The Sierra Club Committee on Political Education (SCCOPE) is the Club's political action committee, which endorses candidates and organizes volunteer support in election campaigns.

The Sierra Club maintains national headquarters in San Francisco, and operates a legislative office in Washington, D.C., and regional offices in several cities including Oakland and Los Angeles.

### MAJOR PROJECTS:

In December, Governor-elect Wilson appointed conservationist Douglas Wheeler as Secretary of the state Resources Agency. Wheeler served as executive director of the Sierra Club between 1985-87. He has been vice president of the World Wildlife Fund and the Conservation Foundation in Washington, D.C. Environmentalists said Wheeler's selection indicates that Wilson intends to work closely with the conservation movement. The Resources Agency secretary oversees management of fish and wildlife resources, state parks, forests, air and water quality, and the coastline.

In the December 19 issue of its *Legislative Agenda* newsletter, the Sierra Club berated the record of former Governor George Deukmejian, stating that his appointments to state agencies such as the Department of Food and Agriculture, the Board of Forestry, and the Fish and Game Commission have led to inexcusable failures to act on such issues as pesticide use, toxic contamination of coastal waters, clearcutting of ancient forests, and endangered species protection.

According to the Club, Deukmejian's repeated veto of environmental legislation during the 1990 legislative session caused air quality to suffer. He rejected legislation to clean up the air in the Central Valley, improve automobile efficiency, and tackle air toxics problems. Another bill he vetoed would have creatively expanded possible penalties against deceptive and illegal behavior by corporations. Deukmejian also vetoed legislation to promote recycling used oil. (See CRLR Vol. 10, No. 4 (Fall 1990) p. 35 for background information on these bills.) According to *Legislative Agenda*, "He vetoed bills that would have given the Coastal Commission the authority and funding it needs to properly enforce against violations of the Coastal Act. Because of Deukmejian's eight years of Commission budget slashing, it is basically defenseless in preventing developers from tearing up coastal resources

without a permit, or in stopping those who violate their permit conditions." Gains were made in solid waste and recycling, but no legislation was approved to limit massive pesticide spraying. Although some small victories were achieved in wetlands and wildlife protection, there were no gains in the areas of land use and urban growth, according to the Sierra Club's legislative office.

On the national front, the January/February 1991 edition of *Sierra* magazine said that while millions of acres of Alaska lands are safe from exploitation, millions more remain in jeopardy, and some are in imminent peril. According to the magazine, environmentalists face a significant challenge as the new 102nd Congress commences, and as the Bush administration launches an aggressive campaign to open the northern coastal plain of Alaska and the 18-million-acre Alaska National Wildlife Refuge to oil development. Oil development boosters are using the Middle East crisis as a new excuse for invading the Refuge.

Several years ago, the U.S. Department of the Interior studied approximately 77 million acres for possible wilderness protection under the Arctic National Interest Lands Conservation Act of 1980. The Act itself designated 56 million acres of new wilderness, and directed Interior to complete a study by 1985 of all other lands within parks and refuges as potential wilderness areas. Almost all of the 77 million acres qualifies for wilderness protection, Sierra Club asserts. But even Interior's final recommendation for wilderness designation of only eight million additional acres in 1987 was rejected by Reagan appointees hostile to environmental concerns.

*Sierra* said the goal in 1991 is to pass H.R. 39 and S. 39. Both would designate as protected wilderness all of the imperiled 1.5 million acres of Arctic National Wildlife Refuge coastal plain lands. Sierra Club urges a groundswell of grassroots support—letters, cards, phone calls, and mailgrams to Congress—in the campaign to save the Refuge. The Club asks members and citizens to lobby for votes against oil drilling and for a new national energy policy focused on conservation and improved auto fuel efficiency.

### TURN (TOWARD UTILITY RATE NORMALIZATION)

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Toward Utility Rate Normalization (TURN) is a nonprofit advocacy group with approximately 50,000 members throughout California. About one-third of its membership resides in southern California. TURN represents its members, comprised of residential and small business consumers, in electrical, natural gas, and telephone utility rate proceedings before the Public Utilities Commission (PUC), the courts, and federal regulatory and administrative agencies. The group's staff also provides technical advice to individual legislators and legislative committees, occasionally taking positions on legislation. TURN has intervened in about 200 proceedings since its founding in 1973.

### MAJOR PROJECTS:

In November, TURN warned California ratepayers that the state's three largest energy utilities were seeking an unprecedented \$1.6 billion in combined rate increases to take effect January 1, 1991. According to TURN, the companies used a strategy of seeking numerous small rate increases to obscure the full impact of the proposed increases. Specific increases challenged by TURN included Pacific Gas and Electric Company's (PG&E) attempt to recover \$15 million in earthquake-related expenses which were covered by insurance policies. TURN also challenged PG&E's subsidies to agricultural customers (\$154 million), which allow their prices to be set 29.1% below actual cost, while residential customers are expected to make up some of the difference. In southern California, TURN challenged San Diego Gas and Electric Company's (SDG&E) attempt to force consumers to pay \$3.8 million per year for the next two years for the utility's investment in the development of natural gas vehicles.

However, and much to the chagrin of TURN and other advocacy organizations, the PUC gave the utilities an early holiday gift in December by granting a combined \$1.2 billion annual increase, effective January 1. On December 19, the PUC permitted PG&E to raise its rates by \$749 million (a 12% increase). Southern California Edison was allowed to raise its rates by \$463.9 million (for a 9.3% increase in residential rates), and SDG&E was granted a \$66.1 million rate hike (a 4% increase).

On November 21, the PUC issued its long-awaited ruling ordering Pacific Bell and GTE-California to eliminate touch-tone service charges for residential and business customers beginning February 1, 1991, and to expand the local calling area from eight to twelve miles by June 1, 1991. However, TURN blasted the



order, alleging that it also authorizes revenue adjustments that will actually increase monthly telephone bills as a result of the changes. In its winter newsletter, TURN claimed that, in Pac-Bell's case, the adjustment will wipe out a \$700 million credit that was supposed to be returned to PacBell customers during 1991. "In effect, the Commission is letting PacBell steal back money that rightfully belongs to customers, while claiming the decision results in free touch-tone service," argued TURN Executive Director Audrie Krause. In GTE's case, TURN asserts that the order will increase the present surcharge by 11%. The PUC's recent order is the result of a larger October 1989 directive which gradually relaxes the regulation of telecommunications in California—which directive is also being challenged by TURN in the California Supreme Court. (See CRLR Vol. 10, No. 4 (Fall 1990) pp. 35-36; Vol. 10, No. 1 (Winter 1990) p. 151; and Vol. 9, No. 4 (Fall 1989) p. 27 for extensive background information.)

TURN continues its participation in the PUC's Alternative Regulatory Framework (ARF) proceeding, which has now proceeded to Phase III. (See CRLR Vol. 10, No. 1 (Winter 1990) p. 35 for background information.) The major issue being considered in Phase III is whether long distance companies like MCI and AT&T should be allowed to compete with PacBell and GTE in carrying local calls, known as intraLATA service.

TURN believes consumers may end up paying more for local telephone service if the PUC lifts the current restrictions and allows the long distance companies to compete in the intraLATA market, as has been proposed by PUC Administrative Law Judge Charlotte Ford-TerKeurst (see CRLR Vol. 10, No. 4 (Fall 1990) pp. 179-80 for details). If intraLATA service becomes competitive, local phone companies like PacBell and GT&E could lose a significant amount of revenue. In that event, they would undoubtedly petition the PUC to increase rates in order to recover their losses.

Another issue being debated in the ARF proceedings is the need for extensive consumer education if intraLATA competition is instituted. Consumers who choose a competitor of the local phone company would have to dial a five-digit access code in addition to the phone number they are calling. Yet, many residential customers are unaware of the access codes for companies, known as 10XXX-calling. In addition,

many consumers find dialing the access code a major inconvenience.

TURN believes that the PUC's proposal in this area—a requirement that local phone companies simply advertise 10XXX calling codes in their white pages directories—is inadequate. Given the extent of customer confusion, TURN has urged the PUC to require more extensive consumer education efforts to ensure that customers do not suffer further confusion if intraLATA competition is introduced. TURN has recommended further education programs, including call rate comparison information in the phone book; twice-per-year bill inserts; detailed bilingual materials; curriculum materials for public schools and for senior citizens; electronic media public service announcements; expanded telephone company public relations; and marketing studies to assess consumer understanding of the new industry structure and service options.

The November 1990 issue of TURN's *Inside Line* newsletter reported on the lack of uniformity in directory assistance charges by local and long distance companies. Directory assistance calls to local phone companies cost 25 cents each, with five free calls per month. AT&T charges 40 cents per call and offers no free calls; while MCI and Sprint charge 50 cents and 39 cents respectively, with two free calls per month. AT&T has applied to the PUC to increase its directory assistance calls to 50 cents each. TURN has asked the PUC to expand the scope of the proceeding to allow suggestions that will help dispel some of the confusion consumers suffer in trying to understand telephone issues and charges. TURN has proposed that all long distance carriers charge the same price for directory assistance and allow customers two free calls per month. The group asked the PUC to establish a standardized directory assistance charge at 40 cents for long distance companies and disallow AT&T's requested increase.

TURN's fall 1990 newsletter reported that it, in conjunction with the PUC staff, has successfully convinced the PUC to order AT&T to release information which reveals that the long distance company's rate of return was 39% for the first quarter of 1990—triple what the PUC had authorized. TURN's Audrie Krause called AT&T profits "obscene" and noted, "These outrageous profits prove that the PUC has ignored its mandate to set fair and reasonable rates for long distance services." In 1988, the PUC granted AT&T increased flexibility in setting its own rates. Last year, the PUC authorized similar changes for Pacific Bell and General Telephone

(GT&E). TURN said AT&T's exorbitant rate of return suggests that increased flexibility will lead to excess profits for PacBell and GT&E as well. The excessive profits were first discovered by the PUC's Division of Ratepayer Advocates, which filed for an immediate rate reduction of \$120 million. The reduction was supported by TURN.

#### UCAN (UTILITY CONSUMERS' ACTION NETWORK)

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Utility Consumers' Action Network (UCAN) is a nonprofit advocacy group supported by 52,000 San Diego Gas and Electric Company (SDG&E) residential and small business ratepayers. UCAN focuses upon intervention before the California Public Utilities Commission (PUC) on issues which directly impact San Diego ratepayers. UCAN also assists individual ratepayers with complaints against SDG&E and offers its informational resources to San Diegans.

UCAN was founded in 1983 after receiving permission from the PUC to place inserts in SDG&E billing packets. These inserts permitted UCAN to attract a large membership within one year. The insert privilege has been suspended as a result of a United States Supreme Court decision limiting the content of such inserts.

UCAN began its advocacy in 1984. Since then, it has intervened in SDG&E's 1985 and 1988 General Rate Cases; 1984, 1985, 1986, and 1989 Energy Cost Adjustment Clause proceedings; the San Onofre cost overrun hearings; and SDG&E's holding company application. In 1989, UCAN participated in two rate adjustment proceedings in which SDG&E was granted increases for energy costs, rate of return, and inflation. Since the fall of 1988, UCAN has been challenging the proposed takeover of SDG&E by Southern California Edison Company (SCE).

#### MAJOR PROJECTS:

On November 27, UCAN's two-year-long effort to defeat the proposed takeover of SDG&E by SCE picked up steam, when an administrative law judge of the Federal Energy Regulatory Commission (FERC) recommended that FERC prohibit the merger. ALJ George Lewnes found that the merger would fail to yield public benefits, would be anticompetitive, and would increase southern California's already-severe air pollution problems. According to Judge



Lewnes, "The sole conceivable beneficiaries in the long term will be [SCE's parent company] and its shareholders." The ALJ's recommendation is subject to a fifty-day public comment period, after which the five-member FERC will decide whether to accept or reject it. Both FERC and the PUC must approve the proposed takeover.

At this writing UCAN is awaiting a recommended decision from PUC ALJ Lynn Carew, who presided over the lengthy evidentiary presentation of SCE, SDG&E, and all intervenors (including UCAN) during 1990. (See CRLR Vol. 10, No. 4 (Fall 1990) p. 178; Vol. 10, Nos. 2 & 3 (Spring/Summer 1990) pp. 207-08; and Vol. 10, No. 1 (Winter 1990) pp. 151-52 for background information.) The ALJ's recommendation was expected in November, but was delayed when she ordered additional evidence and briefing on the effect of the takeover on \$550 million in tax-exempt bonds issued by the City of San Diego for SDG&E projects. The tax-exempt bonds are for use only by utilities operating in one or two counties. The tax-exempt status of the bonds could be withdrawn if SCE is successful in taking over SDG&E.

A recommendation by ALJ Carew is expected in mid- to late-January. By law, the five-member Commission must wait thirty days before acting on the ALJ's recommendation. The PUC had hoped to make a final decision in the merger case by December 31, before the terms of former Commissioners Stanley Hulett and Frederick Duda expired. There was speculation that former Governor Deukmejian might reappoint them so they could vote on the merger. However, that did not transpire, partly due to opposition from legislative leaders Senator Herschel Rosenthal and Assemblymember Gwen Moore. It is now up to Governor Pete Wilson to appoint their replacements. At this writing, no appointments have been made. Wilson has never taken a position on the merger issue. UCAN considers newly-elected PUC president, Patricia Eckert, to be a question mark on the merger. Eckert has the power to determine whether the three existing commissioners will decide the case, or whether the decision will be delayed until Wilson appoints replacements and they have had time to study the case.

UCAN asserts that the PUC has an obligation to Californians to allow the full five members to vote on the controversial merger. UCAN and San Diego Mayor Maureen O'Connor asked Governor Wilson to fill one of the vacancies with a San Diego resident. The PUC has

not had a San Diego member in thirty years.

On October 1, SDG&E filed a proposed \$101 million electricity rate increase request (an average 7% increase) with the PUC. UCAN Executive Director Michael Shames called the request "a clumsy effort to close the gap between Edison and SDG&E rates." Shames maintained the company was trying to manipulate rates to offset the oft-promised 10% reduction in SDG&E rates by Edison if the merger is approved. He believes the only justified portion of the proposed increase is about \$21 million for an aggressive new energy conservation program ordered by the PUC. Shames claims that other aspects pertaining to SDG&E's fuel costs, rate of return, and inflation are not justified. UCAN's advocacy was partly successful; on December 19, the PUC awarded SDG&E a \$66.1 million (or 4%) rate increase, effective January 1. On the same day, Edison was permitted to raise its residential rates by 9.3%.

Last fall, SDG&E announced a proposal to develop a fleet of natural gas-powered cars. UCAN applauded the effort to help kick the gasoline habit, but objected to the fact that the program's annual tab for ratepayers would be over \$4 million. In addition, SDG&E would be the only local supplier of the fuel for natural gas vehicles. The PUC will decide on the proposal in 1991.

In October, UCAN and the Center for Public Interest Law (CPIL) announced the availability of a series of brochures on telephone repair and inside wiring issues, as a part of their joint Inside Wiring Consumer Education Project funded by the PUC's Telecommunications Education Trust. In 1987, the PUC deregulated the "inside wiring" portion of telephone service, making the customer responsible for telephone wiring repairs inside residences. UCAN and CPIL commissioned a survey of 625 San Diegans and found that more than 50% of consumers still do not know they are responsible for repair of inside wiring. Nearly 60% of those surveyed would automatically call Pacific Bell, which generally charges more than other inside wire repair companies. Senior citizens, minority families, renters, and low-income households are the most likely to pay the highest-priced repair charges.

At an October 29 press conference, the groups reported that consumers are paying too much for inside wiring repair because they are unaware of lower-cost options. To learn about those options, San Diegans can now receive the project's informative brochures in eight languages by calling (619) 221-7918.

During the fall, UCAN published a special telephone edition of its *Watchdog* newsletter. The issue included information on inside wiring, long distance rates, and privacy issues related to Pacific Bell's proposed "Caller ID" service. For a copy of the newsletter, send a stamped, self-addressed envelope to UCAN at the address listed above.

*Watchdog* reported that virtually every consumer group in the nation is opposed to Caller ID as an invasion of individual privacy and an unnecessary additional cost. If Caller ID is approved by the PUC, the caller's phone number can be automatically revealed to call recipients if they purchase a special attachment for the phone. A new law passed by the legislature last year requires phone companies to allow consumers to block Caller ID. However, UCAN asserts the law is weak, because it requires *per-call* blocking as opposed to *per-line* blocking. To execute the blocking feature, customers will have to dial a three-digit blocking code each time a call is placed. If the caller forgets to initiate blocking, any business called can capture the phone number and then obtain the caller's name, address, credit card record, and other personal information.

The PUC will hold hearings on Caller ID this spring. UCAN believes that Caller ID is the same as "trap and trace," which was previously illegal without a court order. If the service is approved, Shames predicts that "consumers can expect an inevitable upsurge in annoying phone and mail solicitations." UCAN will monitor this issue and participate in the public hearings.

